
By: **Delegates Love, Ross, and Vaughn**
Introduced and read first time: February 9, 2004
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Alcoholic Beverages - Closed Establishments - License Expiration**

3 FOR the purpose of specifying that an alcoholic beverages license may remain
4 unexpired for a period not exceeding a certain time, with certain exceptions,
5 after the holder of the license closes the business or ceases certain operations of
6 the business for which the license was issued; specifying that certain
7 applications or a certain request may toll the period during which a license may
8 remain unexpired; allowing certain persons to make a written request for a
9 hardship extension; requiring the alcoholic beverages license issuing authority
10 to hold a public hearing on written requests for a hardship extension;
11 authorizing a license issuing authority under certain circumstances to grant a
12 hardship extension not exceeding a certain time; specifying certain events that
13 mark the beginning of the period during which a license may remain unexpired;
14 specifying certain events that mark when the period may be tolled and when the
15 period resumes; specifying that if a certain application or request is withdrawn,
16 the period for an unexpired license may not be tolled; and generally relating to
17 expiration of alcoholic beverages licenses.

18 BY repealing and reenacting, without amendments,
19 Article 2B - Alcoholic Beverages
20 Section 1-102(a)(16)(i)2
21 Annotated Code of Maryland
22 (2001 Replacement Volume and 2003 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article 2B - Alcoholic Beverages
25 Section 10-504
26 Annotated Code of Maryland
27 (2001 Replacement Volume and 2003 Supplement)

28 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
29 MARYLAND, That the Laws of Maryland read as follows:

1

Article 2B - Alcoholic Beverages

2 1-102.

3 (a) (16) (i) "License issuing authority" means:

4 2. For a local license issued under this article, the board of
5 license commissioners or other local agency expressly authorized by this article to
6 issue the license.

7 10-504.

8 (a) [Except in Baltimore County, on the tenth day after the holder of any
9 license issued under this article has vacated, or been evicted from the premises for
10 which the license was issued, the license shall expire unless an application for
11 approval of a transfer to another location or assignment to another person pursuant
12 to § 10-503 of this article or an application pursuant to § 10-506 of this article has
13 been approved or is then pending. However, the State Comptroller or local licensing
14 board, as the case may be, may postpone the expiration for an additional period not
15 exceeding 20 days in any case to avoid undue hardship.]

16 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, A LICENSE ISSUED UNDER
17 THIS ARTICLE MAY REMAIN UNEXPIRED FOR A PERIOD NOT EXCEEDING 30 DAYS
18 AFTER THE HOLDER OF THE LICENSE CLOSES THE BUSINESS OR CEASES ACTIVE
19 ALCOHOLIC BEVERAGES BUSINESS OPERATIONS OF THE BUSINESS FOR WHICH THE
20 LICENSE WAS ISSUED, UNLESS:

21 (1) AN APPLICATION FOR A TRANSFER TO ANOTHER LOCATION OR
22 ASSIGNMENT TO ANOTHER PERSON UNDER § 10-503 OF THIS SUBTITLE HAS BEEN
23 APPROVED OR IS PENDING;

24 (2) AN APPLICATION FOR CONTINUATION OF THE BUSINESS ON THE
25 DEATH OF THE LICENSE HOLDER UNDER § 10-506 OF THIS SUBTITLE HAS BEEN
26 APPROVED OR IS PENDING; OR

27 (3) A WRITTEN REQUEST FOR HARDSHIP EXTENSION IS FILED.

28 (B) (1) THE LICENSE HOLDER OR OTHER APPROPRIATE INTERESTED
29 PERSON MAY MAKE A WRITTEN REQUEST TO THE ISSUING AUTHORITY FOR
30 HARDSHIP EXTENSION.

31 (2) THE LICENSE ISSUING AUTHORITY SHALL HOLD A PUBLIC HEARING
32 ON EACH WRITTEN REQUEST FOR A HARDSHIP EXTENSION THAT IS FILED.

33 (3) ON A FINDING THAT UNDUE HARDSHIP EXISTS, THE LICENSE
34 ISSUING AUTHORITY MAY GRANT A HARDSHIP EXTENSION NOT EXCEEDING 90 DAYS.

35 (C) THE PERIOD DURING WHICH A LICENSE MAY REMAIN UNEXPIRED:

1 (1) BEGINS AT THE EARLIER OF THE CLOSING OF THE BUSINESS AND
2 THE TERMINATION OF THE ALCOHOLIC BEVERAGES BUSINESS OPERATIONS;

3 (2) MAY BE TOLLED ONLY ON THE FILING OF AN APPLICATION OR
4 REQUEST UNDER SUBSECTION (A) OF THIS SECTION; AND

5 (3) IF TOLLED, RESUMES RUNNING ON THE LATER OF:

6 (I) FINAL ACTION OF THE LICENSE ISSUING AUTHORITY DENYING
7 AN APPLICATION UNDER SUBSECTION (A)(1) OR (2) OF THIS SECTION;

8 (II) FINAL ACTION OF THE LICENSE ISSUING AUTHORITY
9 GRANTING OR DENYING A REQUEST FOR UNDUE HARDSHIP UNDER SUBSECTION
10 (A)(3) OF THIS SECTION;

11 (III) FINAL JUDGMENT OF THE COURT IF JUDICIAL REVIEW OF THE
12 ACTION OF THE LICENSE ISSUING AUTHORITY ON AN APPLICATION OR REQUEST HAS
13 BEEN SOUGHT; OR

14 (IV) DISMISSAL OF A PETITION FOR JUDICIAL REVIEW.

15 (D) AN APPLICATION OR REQUEST TO THE LICENSE ISSUING AUTHORITY
16 UNDER SUBSECTION (A) OF THIS SECTION THAT IS WITHDRAWN SHALL BE
17 CONSIDERED AS IF THE APPLICATION OR REQUEST WAS NOT FILED, AND THE
18 PERIOD DURING WHICH A LICENSE MAY REMAIN UNEXPIRED MAY NOT BE TOLLED.

19 [(b)] (E) This section does not apply to the holder of any license whose
20 premises have been acquired for public use.

21 [(c)] (F) The license for a premises acquired for public use shall expire within
22 180 days of acquisition unless an application for approval of a transfer of the license
23 to another location or assignment to another person pursuant to § 10-503 of this
24 article or an application pursuant to § 10-506 of this article has been approved or is
25 then pending.

26 [(d)] (G) (1) (i) This subsection applies only in Baltimore City.

27 (ii) In this subsection, "Board" means the Board of License
28 Commissioners or the Office of the Comptroller, whichever is the issuing party.

29 (2) 180 days after the holder of any license issued under the provisions of
30 this article has closed the business or ceased active alcoholic beverages business
31 operations of the business for which the license is held, the license shall expire unless:

32 (i) An application for approval of a transfer to another location or
33 an application for assignment to another person pursuant to § 10-503(d) of this
34 subtitle has been approved or is then pending;

35 (ii) An application pursuant to § 10-506 of this subtitle has been
36 approved or is then pending; or

1 (iii) A written request for a hardship extension, as provided in this
2 subsection, is filed within the 180-day period.

3 (3) The licensee or other appropriate interested parties may make a
4 written request to the Board for an extension of the life of the license due to undue
5 hardship, for a time period of no more than a cumulative period of 360 days after the
6 date of closing or cessation of alcoholic beverages business operations of the business
7 for which the license is held.

8 (4) After a hearing conducted on the extension request, on a finding that
9 undue hardship currently exists causing the closing or cessation of business
10 operations, the Board may grant an extension of the life of the license for a time
11 period not to exceed 360 days as defined in paragraphs (3) and (5) of this subsection.

12 (5) It is the intent of this subsection that the total time period for which
13 a license may be deemed unexpired under paragraph (2) of this subsection is 180 days
14 if no undue hardship extension is granted, and no more than 360 days if an undue
15 hardship extension has been granted. The time period begins at the earlier of the
16 closing of the business or cessation of alcoholic beverages business, and shall be tolled
17 only upon the filing of an application or request described in paragraph (2) of this
18 subsection, the expiration period to begin running again, cumulatively to the time
19 period before the filing of the application or request, upon the occurrence of the later
20 to occur of the following events:

21 (i) Final action of the Board granting or denying a request
22 authorized by paragraph (3) of this subsection;

23 (ii) Final action of the Board denying an application described
24 under paragraph (2)(i) or (ii) of this subsection; or

25 (iii) Final judgment of the appellate court when judicial review of
26 the Board's action on an application or request authorized by paragraph (2) or (3) of
27 this subsection has been sought, or on dismissal of a petition for judicial review.

28 (6) If an application or request to the Board described in paragraph (2) or
29 (3) of this subsection is withdrawn, there shall be no tolling of the period for
30 automatic expiration of the license and it shall be deemed as if no such application or
31 request was filed.

32 [(e)] (H) (1) (i) This subsection applies only in Baltimore County.

33 (ii) In this subsection, "Board" means the Board of License
34 Commissioners or the Office of the Comptroller, whichever is the issuing party.

35 (2) 180 days after the holder of any license issued under the provisions of
36 this article has closed the business or ceased active alcoholic beverages business
37 operations of the business for which the license is held, the license shall expire unless:

1 (i) An application for approval of a transfer to another location or
2 an application for assignment to another person pursuant to § 10-503 of this article
3 has been approved or is then pending;

4 (ii) An application pursuant to § 10-506 of this article has been
5 approved or is then pending; or

6 (iii) A written request for a hardship extension, as provided in this
7 subsection, is filed within the 180-day period.

8 (3) The licensee or other appropriate interested parties may make a
9 written request to the Board for an extension of the life of the license, due to undue
10 hardship, for a time period of no more than a cumulative period of 360 days after the
11 date of closing or cessation of alcoholic beverages business operations of the business
12 for which the license is held.

13 (4) After a hearing conducted on the extension request, upon a finding
14 that undue hardship currently exists causing the closing or cessation of business
15 operations, the Board may grant an extension of the life of the license for a time
16 period not to exceed 360 days as defined in paragraphs (3) and (5) of this subsection.

17 (5) It is the intention of this subsection that the total time period for
18 which a license may be deemed unexpired under paragraph (2) of this subsection is
19 180 days if no undue hardship extension is granted and no more than 360 days if an
20 undue hardship extension has been granted. The time period begins at the earlier of
21 the closing of the business or cessation of alcoholic beverages business, and shall be
22 tolled only upon the filing of an application or request described in paragraph (2) of
23 this subsection, the expiration period to begin running again, cumulatively to the
24 time period before the filing of the application or request, upon the occurrence of the
25 later to occur of the following events:

26 (i) Final action of the Board granting or denying a request
27 authorized by paragraph (3) of this subsection;

28 (ii) Final action of the Board denying an application described by
29 subparagraphs (i) or (ii) of paragraph (2) of this subsection; or

30 (iii) Final judgment of the appellate court when judicial review of
31 the Board's action on an application or request authorized by paragraphs (2) or (3) of
32 this subsection has been sought, or upon dismissal of a petition for judicial review.

33 (6) In the event that an application or request to the Board described in
34 paragraph (2) or (3) of this subsection is withdrawn, there shall be no tolling of the
35 period for automatic expiration of the license and it shall be deemed as if no such
36 application or request was filed.

37 [(f)] (I) (1) In Charles and Wicomico counties, if the Board of License
38 Commissioners in the respective county or the Harford County Liquor Control Board
39 determines that a licensed premises under its jurisdiction is seasonally operated, the

1 respective county board may authorize the closing of the premises in its respective
2 jurisdiction for no more than 6 months.

3 (2) To qualify for this exception:

4 (i) The licensee shall submit a written request to the respective
5 county board at least 30 days before the anticipated date of closing; and

6 (ii) In Harford County, the licensee shall also submit a written
7 request to the Board at least 30 days before the anticipated date of reopening.

8 [(g)] (J) In Cecil County an alcoholic beverages license is declared null and
9 void if a licensee:

10 (1) Is no longer using the license and has the intention of terminating
11 the business of the licensed premises; and

12 (2) Has not timely filed a transfer of the license with the Board of
13 License Commissioners pursuant to § 10-503 or § 10-506 of this article.

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
15 October 1, 2004.